

106TH CONGRESS
2D SESSION

S. 2610

To amend title XVIII of the Social Security Act to improve the provision of items and services provided to medicare beneficiaries residing in rural areas.

IN THE SENATE OF THE UNITED STATES

MAY 23, 2000

Mr. HARKIN (for himself, Mr. THOMAS, Mr. CRAIG, and Mr. FEINGOLD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to improve the provision of items and services provided to medicare beneficiaries residing in rural areas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare Fairness in
5 Reimbursement Act of 2000”.

1 **SEC. 2. IMPROVING FAIRNESS OF PAYMENTS UNDER THE**
 2 **MEDICARE FEE-FOR-SERVICE PROGRAM.**

3 (a) Title XVIII of the Social Security Act (42 U.S.C.
 4 1395 et seq.) is amended by adding at the end the fol-
 5 lowing new sections:

6 “IMPROVING FAIRNESS OF PAYMENTS UNDER THE
 7 ORIGINAL MEDICARE FEE-FOR-SERVICE PROGRAM

8 “SEC. 1897. (a) ESTABLISHMENT OF SYSTEM.—Not-
 9 withstanding any other provision of law, the Secretary
 10 shall establish a system for making adjustments to the
 11 amount of payment made to entities and individuals for
 12 items and services provided under the original medicare
 13 fee-for-service program under parts A and B.

14 “(b) SYSTEM REQUIREMENTS.—

15 “(1) ADJUSTMENTS.—Under the system de-
 16 scribed in subsection (a), the Secretary (beginning in
 17 2001) shall make the following adjustments:

18 “(A) CERTAIN STATES ABOVE NATIONAL
 19 AVERAGE.—If a State average per beneficiary
 20 amount for a year is greater than 105 percent
 21 (or 110 percent in the case of the determination
 22 made in 2000) of the national average per ben-
 23 eficiary amount for such year, then the Sec-
 24 retary shall reduce the amount of applicable
 25 payments in such a manner as will result (as
 26 estimated by the Secretary) in the State aver-

1 age per beneficiary amount for the subsequent
2 year being at 105 percent (or 110 percent in
3 the case of payments made in 2001) of the na-
4 tional average per beneficiary amount for such
5 subsequent year.

6 “(B) CERTAIN STATES BELOW NATIONAL
7 AVERAGE.—If a State average per beneficiary
8 amount for a year is less than 95 percent (or
9 90 percent in the case of the determination
10 made in 2000) of the national average per ben-
11 eficiary amount for such year, then the Sec-
12 retary shall increase the amount of applicable
13 payments in such a manner as will result (as
14 estimated by the Secretary) in the State aver-
15 age per beneficiary amount for the subsequent
16 year being at 95 percent (or 90 percent in the
17 case of payments made in 2001) of the national
18 average per beneficiary amount for such subse-
19 quent year.

20 “(2) DETERMINATION OF AVERAGES.—

21 “(A) STATE AVERAGE PER BENEFICIARY
22 AMOUNT.—Each year (beginning in 2000), the
23 Secretary shall determine a State average per
24 beneficiary amount for each State which shall
25 be equal to the Secretary’s estimate of the aver-

age amount of expenditures under the original
 medicare fee-for-service program under parts A
 and B for the year for a beneficiary enrolled
 under such parts that resides in the State

“(B) NATIONAL AVERAGE PER BENE-
 FICIARY AMOUNT.—Each year (beginning in
 2000), the Secretary shall determine the na-
 tional average per beneficiary amount which
 shall be equal to the average of the State aver-
 age per beneficiary amounts determined under
 subparagraph (B) for the year.

“(3) DEFINITIONS.—In this section:

“(A) APPLICABLE PAYMENTS.—The term
 ‘applicable payments’ means payments made to
 entities and individuals for items and services
 provided under the original medicare fee-for-
 service program under parts A and B to bene-
 ficiaries enrolled under such parts that reside in
 the State.

“(B) STATE.—The term ‘State’ has the
 meaning given such term in section 210(h).

“(c) BENEFICIARIES HELD HARMLESS.—The provi-
 sions of this section shall not effect—

1 “(1) the entitlement to items and services of a
2 beneficiary under this title, including the scope of
3 such items and services; or

4 “(2) any liability of the beneficiary with respect
5 to such items and services.

6 “(d) REGULATIONS.—

7 “(1) IN GENERAL.—The Secretary, in consulta-
8 tion with the Medicare Payment Advisory Commis-
9 sion, shall promulgate regulations to carry out this
10 section.

11 “(2) PROTECTING RURAL COMMUNITIES.—In
12 promulgating the regulations pursuant to paragraph
13 (1), the Secretary shall give special consideration to
14 rural areas.

15 “(e) BUDGET NEUTRALITY.—The Secretary shall en-
16 sure that the provisions contained in this section do not
17 cause the estimated amount of expenditures under this
18 title for a year to increase or decrease from the estimated
19 amount of expenditures under this title that would have
20 been made in such year if this section had not been en-
21 acted.

22 “IMPROVEMENTS IN COLLECTION AND USE OF HOSPITAL
23 WAGE DATA

24 “SEC. 1898. (a) COLLECTION OF DATA.—

25 “(1) IN GENERAL.—The Secretary shall estab-
26 lish procedures for improving the methods used by

1 the Secretary to collect data on employee compensa-
2 tion and paid hours of employment for hospital em-
3 ployees by occupational category.

4 “(2) TIMEFRAME.—The Secretary shall imple-
5 ment the procedures described in paragraph (1) by
6 not later than 180 days after the date of enactment
7 of the Rural Health Protection and Improvement
8 Act of 2000.

9 “(b) ADJUSTMENT TO HOSPITAL WAGE LEVEL.—By
10 not later than 1 year after the date of enactment of the
11 Rural Health Protection and Improvement Act of 2000,
12 the Secretary shall make necessary revisions to the meth-
13 ods used to adjust payments to hospitals for different area
14 wage levels under section 1886(d)(3)(E) to ensure that
15 such methods take into account the data described in sub-
16 section (a)(1).

17 “(c) LIMITATION.—To the extent possible, in making
18 the revisions described in subsection (b), the Secretary
19 shall ensure that current rules regarding which hospital
20 employees are included in, or excluded from, the deter-
21 mination of the hospital wage levels are not effected by
22 such revisions.

23 “(d) BUDGET NEUTRALITY.—The Secretary shall en-
24 sure that any revisions made under subsection (b) do not
25 cause the estimated amount of expenditures under this

1 title for a year to increase or decrease from the estimated
2 amount of expenditures under this title that would have
3 been made in such year if the Secretary had not made
4 such revisions.”.

